GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:1013
ANSWERED ON:25.11.2002
INVESTMENT OF NON-GOVERNMENT PROVIDENT FUND
SUBODH MOHITE

Will the Minister of LABOUR be pleased to state:

(a) whether the Union Government noticed any cases of non-implementation of their guidelines regarding investment of non-government provident fund in States as well as Centre;

(b) if so, the details alongwith the losses suffered by the employees; and

(c) the steps proposed to safeguard the interest of employees indicating the directions issued to the concerned defaulters?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN)

(a) to (c): No deviation has been made by Central Board of Trustees, Employees Provident Fund in investing the money as per the guidelines regarding investments issued by the Government.

The Provident Fund Trusts, which have been exempted from all or any of the provisions of the Employees Provident Fund Scheme, 1952 under Section 17 of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 & Paras 27 & 27A of the Employees Provident Fund Scheme, 1952 are required to follow the terms & conditions of exemption as laid down in the Act & Scheme. These, inter-alia, provide that (i) `the employer shall make good any other loss that may be caused to the Provident Fund due to theft, burglary, defalcation, misappropriation or any other reason.` (ii) `failure to make investments as per direction of the Government shall make the Board of Trustees separately and jointly liable to surcharge as may be imposed by the Central Provident Fund Commissioner or his representative.`

Thus, there is no loss suffered by the employees since the Act & Scheme already lay down the steps that need to be taken to safeguard the interest of the employees of such exempted establishment.